

INTEROFFICE MEMORANDUM

June 18, 2012

MEMO TO: J. Russell Allen
City Manager

FROM: Amber Smith, Budget & Management Analyst
Stephen Bentley, Capital Improvement Program Manager
Heather Drennan, Budget & Management Analyst

SUBJECT: Budget Note 34 – Technical Corrections to the FY13 Operating Budget and FY13 Capital Improvement Program

The Office of Management & Budget has identified and/or received requests for the following technical corrections to the FY13 Proposed Operating Budget and Capital Improvement Plan. The FY13 Adopted Budget document will reflect the following corrections:

Technical Corrections to the FY13 Proposed Operating Budget

RCCC

At the time of the proposed budget preparation, RCCC staff planned to contract out cleaning services at the Performing Arts Center. However, based on estimates received, they have decided to continue providing these services in-house. Seven positions and the associated budget for the salary and benefits (\$281,123) will be transferred from the Raleigh Convention Center budget to the Performing Arts Center budget. In addition, the following transfer will supplement the current cleaning contract at the Convention Center.

Transferred From:

642-6015-708900-895	Contractual Services	\$200,000
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Transferred To:

642-6012-708900-890	Contractual Services	\$200,000
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RCCC/Parking

In FY13, Parking will be responsible for the security at the Performing Arts parking deck and will add this deck to the existing security contract with the Downtown Raleigh Alliance. The revenue and expense budget for this service is eliminated from RCCC and transferred to the correct account in the Parking Fund.

Reduce Revenue Account:

642-6012-554420-898	From Fund 442-Parking	\$78,140
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Reduce Expenditure Account:

642-6012-708900-898	Contractual Services	\$78,140
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Transferred From:

442-2230-876420-274	To Fund 642-RCCC	\$78,140
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Transferred To:

442-2230-708900-272	Contractual Services	\$78,140
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Public Utilities

Public Utilities originally proposed the Sewer Monitoring Supervisor I (PG 30) to be reclassified as a Utilities Supervisor II (PG 31). After further review, Human Resources and Public Utilities now recommend the position be reclassified to Process Control Training Officer (PG 34).

Technical Corrections to the FY13 Proposed Capital Improvement Program

In Spring 2012, the Raleigh Convention Center staff completed a capital maintenance plan. During the FY 2013 budget process, City Council and staff have been negotiating with Wake County an agreement to use occupancy and prepared food and beverage tax revenues to fund this capital maintenance plan. The City Council and County Board of Commissioners approved a funding plan, Amendment 18 to the interlocal agreement, on May 31, 2012. This memorandum explains how the budget ordinance adopted by City Council on May 31 changes the FY 2013-2017 Proposed Capital Improvement Program.

First, the unfunded requests displayed on page 102 of the proposed CIP are now approved, funded projects. The adopted CIP document will reflect this change.

Second, the May 31 budget ordinance appropriated roughly \$1.8 million in FY12, which is displayed in the Proposed CIP as FY13 appropriation. At an upcoming Council meeting, staff will bring a transfer request to allocate the \$1.8 million to specific RCC projects, namely interior finishes and building systems. Like all project budgets, those funds will be available until the project is completed. Since this \$1.8 million was approved by both the Council and the Board in FY12 the FY13 RCC CIP should decrease by the corresponding amount. Other sections of the CIP, including the Overview, will reflect these changes. The other years displayed in the CIP, FY14 to FY17, require no adjustments. The table below replaces the table on page 102. With this change, Council implements Amendment 18 in the CIP.

Raleigh Convention Center	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	5 Year Total
13 Life Safety Improvements	-	-	949,760	-	-	949,760
14 Site Improvements	327,926	48,626	173,184	-	235,354	785,090
15 Building Systems	833,452	47,194	86,592	-	870,059	1,837,297
16 Technology Improvements	710,129	711,574	-	833,988	-	2,255,691
17 Interior Finishes	-	561,314	1,321,087	-	2,426,774	4,309,175
18 Building Envelope	120,259	-	43,943	291,583	-	455,785
19 Reserve for Future Maintenance	23,981	611,726	-	26,823	-	662,530
Total	2,015,747	1,980,434	2,574,566	1,152,394	3,532,187	11,255,328
Proposed Revenue Sources	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	5 Year Total
Interlocal Funding						
(Hotel/Restaurant tax)	1,251,500	1,980,434	2,445,838	1,152,394	2,708,741	9,538,907
Transfer from RCC Construction	764,247	-	-	-	-	764,247
Appropriation from Prior Years	-	-	128,728	-	823,446	952,174
Total	2,015,747	1,980,434	2,574,566	1,152,394	3,532,187	11,255,328

Please let us know if you have any questions or require any additional information.